

Retire First Best Execution Policies

Jan 2nd, 2018

This document sets out Retire First Ltd (RF) obligations, factors, order handling and routing practices intended to achieve best execution for client orders for listed securities, as outlined in IIROC Dealer Member Rule 3300.

As per IIROC Dealer Member Rule 3300.2, RF will establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to achieve best execution when acting for a client.

Pursuant to Rule 3300.1, "Best Execution" means obtaining the most advantageous execution terms reasonably available under the circumstances.

Pursuant to Rule 3300.10, despite any instruction or consent of the client, achieving best execution for a client order for any listed security is subject to compliance with the Order Protection Rule under Part 6 of the Trading Rules by the marketplace on which the order is entered.

Best Execution Factors

RF considers the following factors for achieving best execution for all client orders, pursuant to Rule 3300.3, sub-section (a):

- (1) Price
- (2) Speed of Execution
- (3) Certainty of Execution
- (4) The overall cost of the transaction, when costs are passed on to clients

RF uses dataphile as its primary source of data entry. These orders are directed to Fidelity Clearing Canada's (FCC) trade desk. There is a trade fee per ticket that is allocated from FCC regardless of the trade size. No further fees are charged unless special handling is requested. When using special handling RF may consider a range of intermediaries (see schedule A). Each firm will require a fee and not all firm's fees are equal. RF considers the following sub-factors, which encompass more specific considerations of the broad factors listed above in determining which firm to use:

- (i) Considerations of the fair pricing of Opening Orders when determining where to enter an Opening Order.
- (ii) Other considerations when not all marketplaces are open and available for trading

RF receives order, pricing and trade information for protected and unprotected Canadian markets and FORMS via market data, OMS/EMS vendors and best execution providers.

RF considers the following "prevailing market conditions" when manually handling a client order for a listed security or a foreign exchange-traded security that trades on a marketplace in Canada, pursuant to Rule 3300.3, sub-section (c):

- (i) Client instructions if any
- (ii) The direction of the market for the security;
- (iii) The depth of the posted market;
- (iv) The last sale price and the prices and volumes of previous trades;
- (v) The size of the spread; and
- (vi) The liquidity of the security.

Order Handling and Routing Practices

The broad best execution factors, as well as the following considerations, will be used to select and rank which trading intermediary we should use. More specific factors will be considered when handling orders with unique circumstances, such as market opening and closing, unique client direction and requirements, and intermediaries that may have specific unique attributes that may assist in best execution.

Intermediaries will be selected, ranked and graded based on:

- experience
- analysis
- direct market data consumption
- research

Retire First current list of Intermediaries is listed in Schedule A attached.

If any of the orders are routed to any of the above listed intermediaries, pursuant to an arrangement with any such intermediary, the order will be subject to the order handling and routing practices of the intermediary. RF is deemed to have reviewed the order handling and routing practices of the intermediary and is satisfied that they are reasonably designed to achieve best execution.

RF will consider instructions of a client, subject to compliance with any regulatory requirement.

If specific trading or handling instructions are received from the client, RF will take these instructions into account when trading and handling the order. If these instructions compromise RF's obligations, the order may be returned to the client for clarification or may be rejected.

RF may elect to move an order entered on one marketplace to another marketplace, if the determination is made that best execution can be more readily achieved.

A decision to move one or many orders from the original marketplaces will be weighed against order priority factors and the potential for partial fills.

RF recognizes that potential or perceived conflicts of interest may have a negative impact on investor confidence. RF treats seriously the management of all potential conflicts of interest.

Client orders are always given priority over pro orders. Pro orders require prior approvals which are independently verified that this is the case before they are approved. RF operates in a fair, orderly and transparent manner, and pledges to not prioritize one order flow over another. Orders should be placed in the order they were received or in the event of fully managed accounts average pricing on the day is essential to ensure that all clients get equal and fair treatment. Any potential conflicts of interest will be actively mitigated on an ongoing basis through best execution testing measures.

Default Order Handling Protocols

Retire First primary order provider is Fidelity Clearing Canada (FCC). Through dataphile our primary order entry system all order flow is directed to the FCC trade desk. FCC follows the following primary guidelines to order entry which RF order entry system adheres to.

The trading day consists of three sessions:

- *Pre-open*: the session ending with the opening of the primary Canadian listing marketplace at 9:30 AM EST

- *Continuous Session*: The main session of the primary Canadian listing marketplace, 9:30 AM to 4:00 PM, plus Extended Trading Session – 4:15 PM to 5:00 PM. Trades conducted at last sale price of primary Canadian listing marketplace.

- *Post Close*: The session starting with the closing of the primary Canadian listing marketplace. FCC supports trading in both the pre-open and the post-close. Trading in these sessions is handled in accordance with this policy and specific client instructions are required for participation. By default, orders received in the pre-open are queued for execution at 9:30 AM, and will be routed to the primary Canadian listing marketplace or will target the opening price on that marketplace. By default, orders received in the post-close are queued for the opening of the primary Canadian listing marketplace on the following business day. An order received during the continuous session is handled following this policy, and routed appropriately for best execution at the time of entry. FCC Trading will follow the holiday calendar of the primary Canadian listing marketplace for Canadian orders, and the holiday calendar of the primary US listing marketplace for US orders. Each Canadian marketplace supports a variety of order types. These include order types or designations required by the regulators. A summary document which outlines the order types and features available is obtainable upon request.

FCC does not permit on stop orders which are triggered to a market order. FCC trading tools mandate a secondary limit is placed on each on-stop order.

Trade execution details are available via trade confirmation, electronically via FIX and/or upon request. This includes marketplace execution details, execution capacity and average price details. At all times FCC pricing of OTC securities will be fair and will reflect the size, the total cost and difficulty of the transaction. Markups and markdowns and total pricing will reflect the scarcity of the issue, the work that is required to trade, clear and settle the overall transaction as well as market forces.

In general Best execution, is governed and reviewed by RF's daily compliance reviews. Should inferior results be obtained, RF will amend order handling accordingly to ensure adherence to best execution standards

The Best execution policy will be reviewed when needed or at a minimum once a year to ensure that it is up to date with current regulations and order flow needs.

For additional information or any questions regarding above document, please reach out to Doug Allan or Scott Loucks.

Schedule A:
RF Intermediaries as of January 1, 2018,

Acumen Capital
Beacon Securities Ltd.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
CIBC World markets Inc.
Coremark Securities
Eight Capital Corp.
Fidelity Clearing Canada ULC
First Energy Corp
Industrial-Alliance Securities Inc.
M Partners Inc.
National Bank of Canada Inc.
Paradigm Capital
PI Fianancial Corp.
Raymond James Ltd
RBC Dominion Securities Inc.
Richardson GMP Ltd